



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-092]

Mattresses from the People's Republic of China: Initiation of Antidumping Duty New Shipper Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) has determined that a request for a new shipper review (NSR) of the antidumping duty order on mattresses from the People's Republic of China (China) meets the statutory and regulatory requirements for initiation. The period of review (POR) for the NSR is June 4, 2019 through May 31, 2020.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Jesse Montoya, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-8211.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the mattresses *Order* on December 16, 2019.<sup>1</sup> On June 29, 2020, pursuant to section 751(a)(2)(B)(i) of the Tariff Act of 1930, as amended (the Act), and 19 CFR

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<sup>1</sup> See *Mattresses from the People's Republic of China: Antidumping Duty Order*, 84 FR 68395 (December 16, 2020) (*Order*).

351.214(c), Commerce received a timely NSR request from Shanghai Sunbeauty Trading Co., Ltd. (Sunbeauty).<sup>2</sup>

In its submission, Sunbeauty certified that it is the exporter of the subject merchandise upon which its request for a NSR is based.<sup>3</sup> Pursuant to section 751(a)(2)(B)(i)(I) of the Act and 19 CFR 351.214(b)(2)(ii)(A), Sunbeauty certified that it did not export mattresses to the United States during the period of investigation (POI).<sup>4</sup> Sunbeauty also provided in its submission, pursuant to 19 CFR 351.214(b)(2)(ii)(B), a certification from the company that produced or supplied the subject merchandise to Sunbeauty that the producer or supplier did not export the subject merchandise to the United States during the POI.<sup>5</sup> Additionally, pursuant to section 751(a)(2)(B)(i)(II) of the Act and 19 CFR 351.214(b)(2)(iii)(A), Sunbeauty certified that, since the initiation of the investigation, it has never been affiliated with any producer or exporter that exported mattresses to the United States during the POI, including those not individually examined during the investigation.<sup>6</sup> As required by 19 CFR 351.214(b)(2)(iii)(B), Sunbeauty also certified that its export activities are not controlled by the central government of China.<sup>7</sup> Further, Sunbeauty stated that it has not made subsequent shipments of subject merchandise during the POR.<sup>8</sup>

In addition to the certifications described above, pursuant to 19 CFR 351.214(b)(2)(iv), Sunbeauty submitted documentation establishing the following: (1) the date on which it first shipped subject merchandise for export to the United States and the date on which the

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<sup>2</sup> See Sunbeauty's Letter, "Mattresses from the People's Republic of China: Request for New Shipper Review," dated June 29, 2020 (NSR Request).

<sup>3</sup> *Id.* at Exhibit 1.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at 3.

merchandise was first entered, or withdrawn from warehouse, for consumption; (2) the volume of its first shipment; and (3) the date of its first sale to an unaffiliated customer in the United States.<sup>9</sup>

Commerce conducted a query of U.S. Customs and Border Protection (CBP) data and confirmed that Sunbeauty's subject merchandise entered the United States for consumption and that liquidation of such entries had been properly suspended for antidumping duties. The CBP data that Commerce examined are consistent with information provided by Sunbeauty in its NSR request. In particular, the CBP data confirm the price and quantity reported by Sunbeauty for the sale that forms that basis of its NSR request.<sup>10</sup>

#### Period of Review

Pursuant to 19 CFR 351.214(c), an exporter or producer may request an NSR within one year of the date on which its subject merchandise was first entered, or withdrawn from warehouse, for consumption, or shipped to the United States, as appropriate. Sunbeauty requested this NSR within one year of the date on which its merchandise first entered the United States, and made its request in June 2020, which is the first semiannual anniversary month of the *Order*.<sup>11</sup> In accordance with 19 CFR 351.214(g)(1)(ii)(B), the POR is June 4, 2019 through May 31, 2020.

#### Initiation of NSR

Pursuant to section 751(a)(2)(B) of the Act, 19 CFR 351.214(b), and based on the information on the record, we find that Sunbeauty's NSR request meets the threshold

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<sup>9</sup> *Id.* at Exhibit 2.

<sup>10</sup> *Id.*; *see also* Memorandum, "Initiation of Antidumping New Shipper Review of Mattresses from the People's Republic of China: Shanghai Sunbeauty Trading Co., Ltd. Initiation Checklist," dated concurrently with this notice.

<sup>11</sup> *See* NSR Request at Exhibit 2.

requirements for initiation of a NSR of its shipment(s) of mattresses to the United States.<sup>12</sup>

However, if the information supplied by Sunbeauty is later found to be incorrect or insufficient during the course of this NSR, Commerce may rescind the review or apply adverse facts available, pursuant to section 776 of the Act, as appropriate. Pursuant to 19 CFR 351.221(c)(1)(i), Commerce will publish the notice of initiation of an NSR no later than the last day of the month following the anniversary or semiannual anniversary month of the order. Commerce intends to issue the preliminary results of this review no later than 180 days from the date of initiation, and the final results of this review no later than 90 days after the date the preliminary results are issued.<sup>13</sup>

It is Commerce's usual practice, in cases involving non-market economies, to require that a company seeking to establish eligibility for an antidumping duty rate separate from the country-wide rate (*i.e.*, separate rate) to provide evidence of *de jure* and *de facto* absence of government control over the company's export activities.<sup>14</sup> Accordingly, Commerce will issue questionnaires to Sunbeauty requesting, *inter alia*, information regarding its export activities for the purpose of determining whether it is eligible for a separate rate. The review of the exporter will proceed if the response provides sufficient indication that the exporter is not subject to either *de jure* or *de facto* government control with respect to its exports of mattresses.

We intend to conduct this NSR in accordance with section 751(a)(2)(B) of the Act.<sup>15</sup> Because Sunbeauty certified that it exported subject merchandise, the sale of which is the basis

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<sup>12</sup> See generally NSR Request.

<sup>13</sup> See section 751(a)(2)(B)(iii) of the Act.

<sup>14</sup> See Policy Bulletin 05.1, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries," available at <http://ia.ita.doc.gov/policy/bull05-1.pdf>.

<sup>15</sup> The Act was amended by the Trade Facilitation and Trade Enforcement Act of 2015 which removed from section 751(a)(2)(B) of the Act the provision directing Commerce to instruct CBP to allow an importer the option of posting a bond or security in lieu of a cash deposit during the pendency of an NSR.

for its NSR request, Commerce will instruct CBP to continue to suspend liquidation of all entries of subject merchandise exported by Sunbeauty. To assist in its analysis of the *bona fide* nature of Sunbeauty's sale(s), upon initiation of this NSR, Commerce will require Sunbeauty to submit, on an ongoing basis, complete transaction information concerning any sales of subject merchandise to the United States that were made subsequent to the POR.

Interested parties requiring access to proprietary information in this NSR should submit applications for disclosure under administrative protective order in accordance with 19 CFR 351.305 and 351.306. This initiation notice is published in accordance with section 751(a)(2)(B) of the Act and 19 CFR 351.214 and 351.221(c)(1)(i).

Dated: July 27, 2020

Scot Fullerton,  
Associate Deputy Assistant Secretary  
for AD/CVD Operations.

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